RBI notice to public sector banks

131. SHRI M. A. BABY :
SHRI RAMANARAYAN GOSWAMI :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the RBI has issued show cause notices on two public sector banks; and

(b) if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) Reserve Bank of India (RBI) has reported that after conducting scrutiny of certain advances granted by Central Bank of India, it was observed that financial assistance was extended to various borrowers without observing the set norms of prudent banking. A notice under Section 47 (1) (B) read with Section 46(4) of Banking Regulation Act, 1949 was issued by RBI for non-compliance with RBI's instructions. The bank has since complied with the RBI's advice.

RBI also directed Bank of India in September, 1992 to carry out a special management audit by a particular firm of Chartered Accountants. Later, in view of the delay, RBI issued a show-cause notice to Bank of India in December 1992 for non-compliance with its advice. Bank of India, subsequently explained the reasons for which the audit work could not be entrusted to the firm recommended by RBI and later in consultation with RBI entrusted the work of management audit of the bank to another firm of auditors.

Rate of Annual Inflation

132. SHRI SOM PAL :
DR. NAUNIHAL SINGH :
MISS SAROJ KHAPARDE :

Will the Minister of FINANCE be pleased to state :

(a) what is the annual rate of inflation at present;

(b) what is Government's targeted end-year figure of inflation;

(c) what is the official wholesale price index for all commodities at present;

(d) whether Government proposed to take any fresh steps to bring down the rate of inflation;

(e) if so, the details thereof; and

(f) what is the contribution of various product groups to inflation at present ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) The rate of inflation based on wholesale price index for the latest available week ended 10th April 1993 was 6.4 per cent.

(b) It is Government's endeavour to maintain price stability and restrict the inflation to a single digit figures.

(c) The Wholesale Price Index for all commodities as on 10th April 1993 was 233.6.

(d) and (e) : Government is committed to maintaining price stability and keeping inflation under check. Towards this end it would continue to persue disinflationary fiscal and monetary policy, provide incentives for growth and enhancement of commodity supplies including augmentation of PDS.